

Exhibit 07

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

NIKE, INC.)
vs.)
STOCKX, LLC)
vs.)
) CASE NO. 1:22-cv-00983-VEC
)

ORAL VIDEOTAPED DEPOSITION

DEJONGH WELLS

August 30, 2023

ORAL VIDEOTAPED DEPOSITION OF DEJONGH WELLS,
produced as a witness at the instance of the
Plaintiff and duly sworn, was taken in the
above-styled and numbered cause on the 30th day of
August, 2023, from 9:43 a.m. to 3:03 p.m., before
Shauna Foreman, Certified Shorthand Reporter in and
for the State of Texas, reported by computerized
stenotype machine at the offices of DLA Piper, 845
Texas Avenue, Suite 3800, Houston, Texas, pursuant to
the Federal Rules of Civil Procedure and the
provisions stated on the record or attached hereto.

<p>1 APPEARANCES 2 3 FOR PLAINTIFF: 4 MICHAEL FLUHR, ESQ. GABRIELLE VELKES, ESQ. 5 DLA PIPER 555 Mission Street 6 Suite 2400 San Francisco, California 94105 7 FOR DEFENDANT: 8 MEGAN K. BANNIGAN, ESQ. 9 KATHYRN C. SABA, ESQ. DEVEBOISE PLIMPTON 10 66 Hudson Boulevard New York, New York 10001 11 E-mail: mbannigan@debevoise.com 12 ALSO PRESENT: 13 Cynthia Joseph, Videographer Kim Van Voorhis 14 15 16 17 18 19 20 21 22 23 24 25</p>	Page 2	<p>1 THE VIDEOGRAPHER: Good morning. 2 We're on the record at 9:43 a.m. Today is August the 3 30th, 2023. 4 This is the video-recorded deposition 5 of Dee Wells taken in the matter of Nike, Inc. versus 6 StockX, LLC. The case number is 22-cv-00983. This 7 location of the deposition is 845 Texas Avenue, 8 Houston, Texas 77002. My name is Cynthia Joseph, 9 representing Veritext. We also have Shauna Foreman, 10 representing Veritext. 11 DEJONGH WELLS, 12 having been first duly sworn, testified as follows: 13 EXAMINATION 14 THE VIDEOGRAPHER: Will counsel please 15 state their appearances and affiliations for the 16 record? 17 MR. FLUHR: Yes. Michael Fluhr on 18 behalf of plaintiff Nike, from DLA Piper. 19 MS. VELKES: Gabrielle Velkes on 20 behalf of Nike from DLA Piper. 21 MS. BANNIGAN: Good morning. Megan 22 Bannigan from Debevoise & Plimpton on behalf of 23 StockX, and with me is my colleague from Debevoise & 24 Plimpton, Kate Saba. 25 Q. (BY MR. FLUHR) All right. Good morning,</p>
<p>1 INDEX 2 PAGE 3 DEJONGH WELLS 4 Examination by Mr. Fluhr 4 Examination by Ms. Bannigan 128 5 Further Examination by Mr. Fluhr 133 6 7 EXHIBITS 8 9 NO. DESCRIPTION PAGE 10 Exhibit 1 Notice of Deposition 7 Exhibit 2 Expert Report 15 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	Page 3	<p>1 Mr. Wells. 2 A. Good morning. 3 Q. How are you doing today? 4 A. I'm doing well. 5 Q. Have you ever been deposed before? 6 A. No, I have not been deposed before. My 7 first time. 8 Q. Welcome. 9 A. Thank you. 10 Q. So I'm sure your attorney went over this 11 with you and we'll talk about what preparation you 12 did for the deposition, but I just want to go over a 13 few very basic rules. 14 This is a deposition. I'll be asking 15 you questions, and you'll be answering them under the 16 oath that you just took. 17 Do you understand that? 18 A. I do understand that. 19 Q. The court reporter will be recording 20 everything that we say. I would ask that you allow 21 me to finish my question before you begin your 22 answer. 23 Can we agree to that? 24 A. Yes, we can. 25 Q. All right. If you don't understand my</p>

2 (Pages 2 - 5)

<p style="text-align: right;">Page 58</p> <p>1 Q. About halfway down, right after the 2 Footnote 182. Okay?</p> <p>3 A. Okay. Can you ask the question again?</p> <p>4 Q. Absolutely. What's a Vault NFT?</p> <p>5 A. A Vault NFT is -- just as I state in my 6 report, is tied to an actual physical pair of 7 sneakers that are in a storage facility that StockX 8 controls.</p> <p>9 Q. I think you wrote "is linked to." What do 10 you mean by "linked to"?</p> <p>11 A. "Linked" being specific to there will be 12 multiple pairs of sneakers so someone will be able to 13 keep track of. So, thus, they can access it maybe on 14 their desktop computer, their smartphone. So that's 15 the link, the storage of that data.</p> <p>16 Q. When you say, "Each Vault NFT is linked to 17 a specific pair of sneakers which is stored in 18 StockX's secure Vault and depicted on the images 19 associated with the NFT," do you have any 20 understanding of what a Vault NFT is beyond that 21 description?</p> <p>22 A. Other than it means clearly stated what it 23 is there. And then specifically going to Number 183, 24 the footnote is "Tied to a physical product as 25 depicted in the NFT which is stored in our brand-new</p>	<p style="text-align: right;">Page 60</p> <p>1 look at Paragraph 12A, you say, "A sneakerhead is a 2 person who has a deep passion for buying, collecting, 3 trading, and/or learning about sneakers."</p> <p>4 Is that your definition of what a 5 sneakerhead is?</p> <p>6 A. That is my definition of a sneakerhead.</p> <p>7 Q. I'm going to guess you did not invent this 8 term.</p> <p>9 A. What's the question?</p> <p>10 Q. I'm going to guess you did not invent the 11 term "sneakerhead"; is that correct?</p> <p>12 A. That is correct. I did not.</p> <p>13 Q. Do you have any understanding as to the 14 origin of that term?</p> <p>15 A. I don't know where that came from, no.</p> <p>16 Q. A lot of these questions, by the way, I'm 17 not sure I expect you to know certain things, but I'm 18 going to ask anyway.</p> <p>19 Do you know when you first heard this 20 term?</p> <p>21 A. Is the question when the first time I heard 22 the term --</p> <p>23 Q. Sneakerhead.</p> <p>24 A. The first time I heard "sneakerhead"? I 25 don't recall exactly when. It's been a term that's</p>
<p style="text-align: right;">Page 59</p> <p>1 climate-controlled security vault. That's my 2 understanding."</p> <p>3 Q. Do you have any understanding as to whether 4 or which blockchain the NFTs are stored on?</p> <p>5 A. No, I don't. I have no idea.</p> <p>6 Q. Okay. Do you have any understanding as to 7 whether ownership of a Vault NFT would give the 8 holder access to a discord?</p> <p>9 A. No, I don't know what that -- what that is 10 or what that would connect to.</p> <p>11 Q. Do you have any understanding as to whether 12 a Vault NFT is associated with a picture of shoes or 13 other piece of media?</p> <p>14 A. I understand that a Vault NFT is tied to an 15 image, a picture. Beyond that, no.</p> <p>16 Q. Do you understand whether a Vault NFT 17 entitles the holder to certain other benefits of any 18 kind?</p> <p>19 A. Benefits such as? Where -- can you expand 20 that?</p> <p>21 Q. Of any kind beyond a link to the shoe that 22 you mentioned.</p> <p>23 A. I don't know if there are any additional 24 benefits.</p> <p>25 Q. Let's go to Page 4 of your report. If you</p>	<p style="text-align: right;">Page 61</p> <p>1 been thrown around for a very long time. I don't.</p> <p>2 Q. I assume this is a term you've heard many 3 times throughout your life?</p> <p>4 A. I have. I've heard, you know, the term 5 "sneakerhead" in everything from music, particularly 6 hip hop, and then certainly on the various message 7 boards, websites that I -- messages that I frequent.</p> <p>8 Q. Where did you get this particular 9 definition of the term?</p> <p>10 A. This is my definition of -- of a 11 sneakerhead as I defined it.</p> <p>12 Q. Is that your understanding of how the term 13 is commonly used?</p> <p>14 A. Yes, it is.</p> <p>15 Q. Is there a standard definition of that 16 term, like in a sneaker textbook?</p> <p>17 A. Not that I know of.</p> <p>18 Q. Are there other possible definitions of 19 that term?</p> <p>20 A. Absolutely. It's really up to the person 21 how they want to define a sneakerhead and what is a 22 sneakerhead or not.</p> <p>23 Q. I'm dying to know whether you think I'm a 24 sneakerhead, but we'll get there in a bit.</p> <p>25 The definition you've given is a</p>

16 (Pages 58 - 61)

<p>1 information you would have to get from StockX. 2 Q. And then I want to ask kind of a different 3 question, which is the question that I asked before. 4 Of all the purchasers on StockX, 5 which -- what percentage are sneakerheads, what 6 percentage are not sneakerheads? 7 A. I don't know the exact percentage. I would 8 say the majority of the people that are going to 9 StockX are sneakerheads, though, because they know 10 that StockX is a reliable source. It's a great place 11 to do their own kind of research, look at the 12 marketplace of what sneakers are popular, what they 13 are selling for. It's a highly-regarded website. 14 You know, it's a place where people trust them. 15 Q. Could it be a highly-regarded website for 16 non-sneakerheads, as well? 17 A. Absolutely, because it's speaking to both 18 sneakerheads as well as general consumers. 19 Q. Do you have any sense about how many 20 sneakerheads there are in the United States? I know 21 this sounds like a strange question. 22 A. No idea how many. 23 Q. Okay. I guess what I'm wondering is how 24 you know that the majority of customers on StockX are 25 sneakerheads versus a whole bunch of other consumers</p>	Page 70	<p>1 Have you ever seen any documents from 2 StockX about their customer demographics? 3 A. No, I have not. I have not seen any of 4 that information. 5 Q. Do you know the average number of shoes 6 owned by a StockX customer? 7 A. No, I do not. 8 Q. Do you know the average number of purchases 9 made on StockX by a StockX customer? 10 A. No, I don't. 11 Q. Do you know any information or data about 12 the numbers of shoes purchased or sold by -- by 13 StockX customers? 14 A. No, I don't. That's all up to them. 15 Q. As any part of your research, have you -- 16 or work in this case, have you conducted a consumer 17 survey? 18 A. I haven't conducted any consumer surveys 19 for this case. I know a lot of information about the 20 sneakerhead community and the culture, so I didn't 21 need to do any. No. 22 Q. In terms of determining whether somebody is 23 a sneakerhead, you had mentioned the reasons that 24 somebody collects shoes; is that right? 25 MS. BANNIGAN: Objection.</p>	Page 72
<p>1 who happen to like StockX. 2 A. Sneakerheads, again, know, trust StockX. 3 They are used, you know, as the Kelly Blue Book for 4 sneakers in terms of understanding where -- where the 5 price point is of a sneaker but also the resale 6 value. I don't know who else is doing that right now 7 or doing it as well as StockX. 8 Q. Well, I guess -- if I can push back a 9 little bit, it strikes me that what I hear you to be 10 saying is that in this sneakerhead community, for 11 them, StockX is a go-to or the go-to place. But if 12 there's this much larger consumer base of people 13 buying sneakers who are not sneakerheads and they 14 like might like StockX as well, how do you know that 15 the majority of people on StockX are sneakerheads? 16 MS. BANNIGAN: Objection. 17 A. I don't know specific numbers, but I know 18 the intended purpose when StockX was created and 19 formed. Again, they were designed for and with 20 sneakerheads in mind, even going back as far as when 21 before it became StockX, it was Campless. 22 Q. (BY MR. FLUHR) I think she is -- 23 A. C-A-M-P-L-E-S-S. 24 Q. Have you seen -- I didn't see any cited in 25 your reports.</p>	Page 71	<p>1 A. Ask the question one more time. 2 Q. (BY MR. FLUHR) Yeah. In terms of 3 determining whether someone's a sneakerhead, you had 4 testified that one piece of information you would 5 want to know is the reason that they collect shoes; 6 is that right? 7 A. It's more than just -- to understand a 8 sneakerhead is more than just to understand the 9 reason. Again, it's really complex. It's like 10 there's different layers to it. Just as we as human 11 beings are complex individuals, consumers and 12 specifically sneakerheads are just that. They are 13 very complex. So I can't go on just one particular 14 kind of point. 15 Q. And to be clear, I wasn't suggesting that 16 that was the only data point that you would want to 17 know. I was just asking to confirm whether that is a 18 data point that would inform your -- your decision. 19 A. That's one of the points that I would want 20 to know. It's also one of the things that would come 21 up in conversation, I'm sure. 22 Q. What are the other things you would want to 23 know? If you could just give me a list of three to 24 five. 25 A. Can you go back and restate the first part</p>	Page 73

<p>1 A. Again, specifically here in G, "They are 2 often aware that counterfeit sneakers, including 3 counterfeit Nike sneakers, are common and are 4 generally understood that there is always the risk 5 they will be -- they will get counterfeits when 6 purchasing on the resale market."</p> <p>7 This is a part of the game. And when 8 I use "the game" in that instance, I am talking about 9 sneakerhead culture in the community. There's always 10 the risk that you can end up with a fake, counterfeit 11 product.</p> <p>12 Q. So I understand the risk, and I know you 13 understand the risk and it's in your report.</p> <p>14 Are there some sneakerheads that don't 15 understand that risk?</p> <p>16 A. No. Sneakerheads understand it's always a 17 risk. It's a crapshoot. And I hate to use that 18 term, but there's the risk that exists in the 19 marketplace, in the community, because counterfeit 20 sneakers exist and real sneakers exist.</p> <p>21 Q. Do you think that there is even a single 22 sneakerhead that doesn't understand that risk?</p> <p>23 A. Could that be a possibility? Absolutely. 24 Absolutely. But it would be very hard to find a 25 sneakerhead who is not aware that counterfeits do</p>	Page 86	<p>1 thing. There's people on both sides of that 2 argument. So, thus, each sneaker person is 3 different.</p> <p>4 Q. So I certainly agree and think that 5 sneakerheads may differ on whether they think 6 counterfeiting is good or bad, but might they also 7 differ on how common they think it is?</p> <p>8 A. Absolutely. That's up to interpretation by 9 that sneakerhead.</p> <p>10 Q. The opinion that sneakerheads are often 11 aware that counterfeiting is common, what's the basis 12 for that opinion, the evidence underlying that 13 opinion?</p> <p>14 A. I'm going to ask you to repeat the question 15 one more time because my tickle in my throat is 16 really distracting me.</p> <p>17 Q. That's okay. Do you need a few minutes 18 or --</p> <p>19 A. No, I just --</p> <p>20 MS. BANNIGAN: We can go off the 21 record for you to take a few minutes and take a 22 drink.</p> <p>23 THE WITNESS: No, I just literally --</p> <p>24 MS. BANNIGAN: I'm sure Michael would 25 agree to let you have a minute so you're not --</p>	Page 88
<p>1 exist.</p> <p>2 Q. I can't remember whether we discussed this 3 portion of your opinion. You had -- you have written 4 in your opinion, "Each sneakerhead is different."</p> <p>5 You agree with that?</p> <p>6 A. What section of -- of my report are you 7 referring to in this? I mention that a lot of times 8 throughout my report.</p> <p>9 Q. I can go back, if you want.</p> <p>10 A. Okay.</p> <p>11 Q. Would that be helpful for you?</p> <p>12 A. Yes, please.</p> <p>13 Q. Okay. I'm just going to ask you to confirm 14 that you wrote that and you agree with that. Give me 15 a second, and I'll tell you. If you go to Page 10, 16 Paragraph 27 --</p> <p>17 A. Okay. I'm there.</p> <p>18 Q. You write, "Each sneakerhead is different."</p> <p>19 A. That is correct.</p> <p>20 Q. I was just referencing your comment.</p> <p>21 Do sneakerheads differ in their 22 perception of how common counterfeiting is?</p> <p>23 A. Yes, because the -- the perception of 24 counterfeits, there's people that could deem 25 counterfeits a good thing or deem counterfeits a bad</p>	Page 87	<p>1 THE WITNESS: No. It's just -- I've 2 never had this happen before. I sincerely apologize.</p> <p>3 MR. FLUHR: I know the feeling where 4 something has happened and all of a sudden you're 5 coughing for the next hour and it's not fun to talk.</p> <p>6 THE WITNESS: I thought I was using a 7 piece of gum to freshen up my mouth, and lo and 8 behold.</p> <p>9 MR. FLUHR: Let us know if you need to 10 take a break. I completely understand.</p> <p>11 THE WITNESS: No, no. I appreciate 12 it.</p> <p>13 A. If you could just repeat the question one 14 more time for me.</p> <p>15 Q. (BY MR. FLUHR) Your opinion that 16 sneakerheads are generally aware that counterfeits 17 are common, what's your basis for that opinion?</p> <p>18 A. My basis for that opinion is living, 19 breathing this for -- in sneaker culture for two plus 20 decades, the message boards that I'm a part of, 21 LinkedIn, Twitter, Instagram. I talk to a lot of 22 people through these platforms, too. But then also 23 in -- I call it in real life, face-to-face, there's a 24 lot of sneakerheads that are just acutely aware that 25 fake sneakers, counterfeit sneakers do exist. They</p>	Page 89

<p>1 are aware of it. Some even will post and share that 2 information freely that I see on Twitter, on 3 Instagram, and elsewhere and say, "Hey, this is just 4 part of the game. Chalk it up. I look an L today, 5 and I got got."</p> <p>6 Q. We'll talk about the consumers who -- or 7 the sneakerheads who intentionally buy counterfeits, 8 but save for those sneakerheads, what's the reaction 9 when a sneakerhead buys a shoe they find to be 10 counterfeit when they got got?</p> <p>11 A. When someone finds out that they end up 12 with a counterfeit pair of sneakers, I'm sure, as I 13 would, go through a range of emotions from my 14 hard-earned money is now gone, I can't wear these for 15 fear of them falling apart, but also my reputation. 16 There's a whole -- I'm sure for all of us there's a 17 myriad of things that go through our mind. I know 18 when I purchased a pair of sneakers that I thought 19 were real and it ended up them being fake, I went 20 through that range of emotions. I was -- I was upset 21 because, again, I work really hard to do my research, 22 spend my hard-earned money on these products. But I 23 turn those products now into examples that I use 24 through the SOLEcial Studies program to teach and to 25 show how much things have changed even within the</p>	Page 90	Page 92
<p>1 counterfeit sneaker market.</p> <p>2 Q. We've been talking generally that 3 sneakerheads are aware that counterfeits exist.</p> <p>4 Do you or do sneakerheads perceive 5 that counterfeits are more common when purchased from 6 certain sources rather than others?</p> <p>7 A. Can you clarify the sources?</p> <p>8 Q. Let's go through a few examples. You've 9 purchased shoes from Nike.com?</p> <p>10 A. Yes, I have purchased shoes from Nike.</p> <p>11 Q. Would you expect counterfeits to be sold on 12 Nike.com?</p> <p>13 A. No, I would not.</p> <p>14 Q. Are you aware of any counterfeits ever 15 having been sold from Nike.com?</p> <p>16 A. No, I have not.</p> <p>17 Q. I assume that's also true if you bought 18 shoes directly from ASICS or Adidas or another shoe 19 manufacturer?</p> <p>20 A. I trust that I would be buying authentic 21 shoes directly from the brand, yeah.</p> <p>22 Q. Are there any other places you would buy 23 direct other than from the brand directly where you 24 would not expect some risk of counterfeits?</p> <p>25 A. Repeat the question one more time.</p>	Page 91	Page 93

<p>1 Q. And again, I do want to reiterate these are 2 questions lawyers ask if they seem strange. 3 A. Sure. Absolutely. 4 Q. I would like you to turn to Page 37 of your 5 report. 6 A. 37? Okay. I'm there. 7 Q. I would like you to turn to Paragraph 85. 8 A. Okay. 9 Q. And you write, "Lack of availability of 10 certain models of sneakers directly from brands or 11 from their authorized resellers has also made the 12 most sought-after sneaker so expensive that some 13 consumers, in particular fashion-followers, looking 14 for a more affordable option have started considering 15 purchasing a counterfeit pair as long as it looks 16 good. In other words, some consumers now choose the 17 steal over the real."</p> <p>18 Is this something that all 19 sneakerheads do?</p> <p>20 A. No, this isn't something that all 21 sneakerheads do, but with the -- the cost of sneakers 22 going up in terms of retail price as well as on the 23 resale market, not all of them can afford the 24 sneakers that they really, really want. So if they 25 are able to find the sneakers deeply discounted</p>	Page 94	<p>1 information about all the time. 2 Q. That's a good point. The manufacturer is 3 sometimes not associated with the designer or brand. 4 I've worked in the product world. Glad you made that 5 point. Let's maybe phrase it in a different way. 6 If a sneakerhead had wanted to 7 purchase a counterfeit pair of Nikes to choose the 8 steal over the real, would they purchase that pair on 9 Nike.com?</p> <p>10 A. No, they would not. 11 Q. Why not? 12 A. Because Nike.com would be selling the real 13 sneaker. The sneakerhead would be going and buying 14 that sneaker from a factory that's selling fakes, 15 that's known to make counterfeit sneakers. Where 16 that factory is is to be determined. 17 Q. To be determined by that sneakerhead? 18 A. By that sneakerhead, correct. 19 Q. Again, more lawyer questions, but what 20 percentage of sneakerheads intentionally purchase 21 counterfeit sneakers? 22 A. I don't know, but there is a subset within 23 the culture of people who do buy counterfeit 24 sneakers. But exact number, I have no clue. 25 Q. Have you ever seen any surveys of</p>
<p>1 inexpensively and they are not paying the resale 2 price, which insert whatever number you want, some 3 people are taking this approach now and are willing 4 to buy fake sneakers.</p> <p>5 Q. And I guess you already testified as to the 6 answer to that since you testified that you're a 7 sneakerhead and you've never done that?</p> <p>8 MS. BANNIGAN: Objection.</p> <p>9 A. I do not buy fake sneakers.</p> <p>10 Q. (BY MR. FLUHR) A sneakerhead who wanted to 11 do this, would they buy sneakers directly from the 12 manufacturer?</p> <p>13 A. Please rephrase the question for me. Yeah.</p> <p>14 Q. A sneakerhead who wanted to buy a 15 counterfeit pair of sneakers, who wanted to choose 16 the steal over the real, would they purchase sneakers 17 directly from the manufacturer?</p> <p>18 A. This is where the differentiation between 19 the brand and the manufacturer comes into place. 20 When I hear "manufacturer," a manufacturer could be 21 any person that has access to a factory that's making 22 sneakers. They could be producing sneakers that 23 are -- that are just that, fake, that are 24 counterfeit. That's something that we in the 25 sneakerhead community talk about, write about, share</p>	Page 95	<p>1 sneakerheads discussing the purchase of counterfeit 2 sneakers?</p> <p>3 A. The keyword there for me that I -- that I 4 hear is "surveys." I wouldn't call them surveys. I 5 would categorize them as, you know, message board 6 posts or Twitter -- tweets, X, Instagram, LinkedIn, 7 people talking about buying counterfeit sneakers.</p> <p>8 Q. In this collection of messages, are these 9 messages that you've just seen sporadically, or have 10 they been collected as part of a systemic effort to 11 review those messages?</p> <p>12 A. I'm part of so many Facebook groups, 13 sneaker Facebook groups. I'm constantly doing 14 research because this is my -- this is my domain. 15 This is my world, and I consult with so many brands. 16 We talk about sneakers. We write about sneakers. So 17 I'm constantly, you know, talking and gathering 18 information either on-line or in person. This 19 information is -- is shared within the community.</p> <p>20 Q. Going back to some of the language before, 21 you write that some sneakerheads knowingly buy 22 counterfeit sneakers because of, quote, "the lack of 23 availability of certain models of sneakers directly 24 from brands or from their authorized resellers has 25 also made the sought-after sneakers so expensive."</p>

25 (Pages 94 - 97)

<p style="text-align: right;">Page 98</p> <p>1 Is that the only reason that 2 sneakerheads knowingly buy counterfeits? 3 A. Going back to Page 37, Number 85, correct? 4 Q. Yes. 5 A. Okay. I just want to make sure we're on 6 the -- I'm on the same page with you. 7 So I'm going to need you to ask the 8 question one more time for me. 9 Q. I think what you're saying is one reason 10 that sneakerheads buy counterfeits is because the 11 lack of availability of certain models directly from 12 the brands or resellers have made them so expensive. 13 A. That is correct because of the scarcity 14 model, as well as -- and it's not -- it's the 15 scarcity model coupled with the hype behind these 16 sneakers. 17 Q. Is scarcity the only reason why somebody 18 would buy counterfeit shoes? 19 A. No. Someone may buy counterfeit sneakers 20 just because they don't care. They just -- they just 21 like the sneakers. They like the color and the 22 materials and they want to own them, so they don't 23 care if they are real or not. 24 Q. I would like you to turn to Page 46. 25 A. Okay. I'm there.</p>	<p style="text-align: right;">Page 100</p> <p>1 A. That -- my understanding with their program 2 is that every sneaker that goes through their 3 marketplace, their platform, is 100 percent authentic 4 verified. Someone is laying hands, as well as eyes, 5 on that product. 6 Q. And I think we agree that that authenticity 7 process is not foolproof. It's not 100 percent 8 success? 9 A. That is correct. It can't be 100 percent. 10 Q. Do you understand that they have ever used 11 the phrase "100 percent authentic"?</p> <p>12 A. Yes, I'm familiar with that -- that phrase. 13 It's prominently written on their website. 14 Q. When you talk about the StockX authenticity 15 guarantee, is that the phrase you're referring to? 16 A. I'm referring to their 100 percent 17 authentic program, yes. 18 Q. And you say, "Older sneakerheads with whom 19 I have interacted tend to be skeptical of the 20 accuracy of any authenticity guarantee such as the 21 one StockX offers." 22 What does "tend to be skeptical" mean? 23 A. Those words -- you know, the words strung 24 together, tend to be, does leave room for error 25 because nothing in this world is 100 percent all the</p>
<p style="text-align: right;">Page 99</p> <p>1 Q. And if you look at Paragraph 103, you're 2 talking about security measures taken by on-line 3 platforms. 4 You say, "In my experience, older 5 sneakerheads with whom I have interacted tend to be 6 skeptical of the accuracy of any authenticity 7 guarantees such as the one StockX offers." 8 What is your understanding of the 9 StockX guarantee or authenticity guarantee? 10 A. StockX offers, through their platform -- 11 and it really goes back to, again, for sneakerheads 12 by sneakerheads. But having that ability to have it 13 verified, looked at by someone, all of the sneakers 14 that go through their platform, that gives 15 sneakerheads some comfort or -- or makes them feel 16 better that they may not get a fake pair of sneakers 17 because it's always a risk in the game, in 18 sneakerhead culture, that you could end up with a 19 fake pair of sneakers. So this is a little bit of 20 a -- this program is a little bit of an insurance 21 policy. 22 Q. You wrote that older sneakerheads tend to 23 be skeptical -- let's take a step back. 24 What do you understand the StockX 25 authenticity guarantee to be?</p>	<p style="text-align: right;">Page 101</p> <p>1 time. 2 The sneakerhead community is, again, 3 aware that there is the possibility that sneakers -- 4 a pair of sneakers that are counterfeit could be 5 passed along, be sold. And because I spend so much 6 time in this community, it's something that we're 7 aware of, that we think about. We know it exists. 8 And again, this is information that 9 the older, as we refer to them -- using a lot of 10 jargon here -- that the older heads try to pass on to 11 the young bucks. 12 Q. I think I understand what you're saying. 13 Go ahead. Sorry. 14 A. The older -- as I refer to the older 15 sneakerheads who may be in their 40s and 50s and 16 older are trying to teach the younger, more -- 17 younger neophytes to the game about what things to 18 look for. 19 Q. I think that gets to a question I was going 20 to ask because you say, "Younger sneakerheads with 21 whom I've interacted who also understand that 22 authenticity guarantees cannot be 100 percent 23 effective are often willing to take a risk." 24 What is the difference between how 25 older sneakerheads and younger sneakerheads view that</p>

<p>1 authenticity guarantee?</p> <p>2 A. Both groups are -- are aware that at any</p> <p>3 point in time, a pair of sneakers that you buy could</p> <p>4 very well be fake. The older sneakerheads are just</p> <p>5 that. They are older, seasoned veterans. They know</p> <p>6 some other things to look for, kind of some telltale</p> <p>7 signs that some of the younger sneakerheads are not</p> <p>8 aware of. But both groups are always looking from</p> <p>9 the perspective that there is a possibility that they</p> <p>10 end up with a fake pair of sneakers. That could</p> <p>11 happen.</p> <p>12 Q. Are there any sneakerhead -- and the reason</p> <p>13 I ask, because you say "tend to be skeptical."</p> <p>14 Are there any sneakerheads who are not</p> <p>15 skeptical of the accuracy of an authenticity</p> <p>16 guarantee?</p> <p>17 A. There -- there are sneakerheads who may</p> <p>18 willingly or unwillingly buy a counterfeit pair of</p> <p>19 sneakers, but -- I can't speak for every thousands,</p> <p>20 millions of sneakerheads, but I know I would always</p> <p>21 be mindful in where I'm buying a particular pair of</p> <p>22 sneakers and the possibility I could end up with a</p> <p>23 fake pair of sneakers.</p> <p>24 So this is where with age comes</p> <p>25 knowledge, a/k/a wisdom, and a big part of -- the big</p>	<p>Page 102</p> <p>1 they buy, just like we all buy, could very well be a</p> <p>2 fake product.</p> <p>3 Having done a lot of research, I'm not</p> <p>4 just doing research on the sneakerhead community.</p> <p>5 I'm also researching on consumers as a whole. This</p> <p>6 is -- again, this is my world that I am involved --</p> <p>7 deeply involved with, marketing, the storytelling.</p> <p>8 Q. Who is more aware of the possibility of</p> <p>9 counterfeit sneakers, sneakerheads or</p> <p>10 non-sneakerheads?</p> <p>11 MS. BANNIGAN: Objection.</p> <p>12 A. Both groups are aware that counterfeits</p> <p>13 exist. Could I say one group is -- knows more than</p> <p>14 the next? I can't speak for everyone. I can speak</p> <p>15 for me and whether or not -- again, any time I buy</p> <p>16 something, it could be real or it could be fake.</p> <p>17 Q. (BY MR. FLUHR) Earlier you testified that</p> <p>18 it's possible at least one sneakerhead saw that</p> <p>19 authenticity guarantee and thought "There's no</p> <p>20 reasonable possibility the sneakers I purchase here</p> <p>21 are counterfeit."</p> <p>22 Is the same true for non-sneakerheads?</p> <p>23 Is it possible that at least one sneakerhead saw that</p> <p>24 authenticity guarantee and thought, "There's no</p> <p>25 reasonable possibility I'm buying a counterfeit"?</p>
<p>Page 103</p> <p>1 part of the community is sharing that knowledge and</p> <p>2 wisdom.</p> <p>3 Q. Is it possible that there is at least one</p> <p>4 sneakerhead who sees that authenticity guarantee and</p> <p>5 thinks there's no reasonable possibility that the</p> <p>6 sneaker purchase is going to be counterfeit?</p> <p>7 A. Could there be? Absolutely. I don't know</p> <p>8 what they may look like or what may be going through</p> <p>9 their mind, but there is that possibility, yes.</p> <p>10 Q. In reading through this paragraph, you're</p> <p>11 talking about what sneakerheads think. "Older</p> <p>12 sneakerheads tend to be skeptical of the accuracy of</p> <p>13 an authenticity guarantee. Younger sneakerheads also</p> <p>14 often understand the authenticity guarantees can't be</p> <p>15 100 percent effective."</p> <p>16 Are you offering any opinion as to</p> <p>17 what non-sneakerheads perceive with respect to that</p> <p>18 authenticity guarantee?</p> <p>19 A. I am also speaking to the non-sneakerhead</p> <p>20 consumer, as well, because if someone goes to -- when</p> <p>21 someone does go to the website and reads that and</p> <p>22 interprets or reads the word "100 percent authentic,"</p> <p>23 they think real. It's a hundred percent authentic</p> <p>24 means real to them. So they are reading that, but</p> <p>25 they also have to be mindful that any product that</p>	<p>Page 105</p> <p>1 A. That's, again, another very broad</p> <p>2 paintbrush to paint with. I think as human beings</p> <p>3 and human nature, we look at things and have to</p> <p>4 always look at things as if -- if it's too good to be</p> <p>5 true, it probably is fake, especially when it comes</p> <p>6 to tangible products. But I couldn't give you a</p> <p>7 strong, definitive answer on that.</p> <p>8 Q. You can't tell whether at least it's</p> <p>9 possible that at least one person --</p> <p>10 A. It is possible. I'm not saying -- I'm not</p> <p>11 saying not, that it's not. But again, there's --</p> <p>12 there's so many consumers out there that when they</p> <p>13 read those words on the website, 100 percent</p> <p>14 authentic, that can mean so many different things</p> <p>15 to -- to him or her.</p> <p>16 Q. Have you talked to any StockX customers</p> <p>17 about their perception of that language?</p> <p>18 A. I have spoken to StockX customers because</p> <p>19 of, again, the -- the message boards, the websites</p> <p>20 that I'm part of. People are very quick to share</p> <p>21 their opinion, and I think about -- especially in</p> <p>22 this day and age where the -- the lines between</p> <p>23 what's real and fake have become harder and harder,</p> <p>24 we in the sneaker community are always posting</p> <p>25 articles and showing pictures -- I think certainly</p>

27 (Pages 102 - 105)

<p style="text-align: right;">Page 106</p> <p>1 even talk to people who confide or trust me to say, 2 you know, "I may have ended up with a fake pair of 3 sneakers. I'm not sure." And again, that's -- 4 that's part of the game.</p> <p>5 Q. And I just want to be clear. Some of these 6 conversations or discussions you saw with the StockX 7 customers concerned the authenticity guarantee?</p> <p>8 A. No, they weren't concerning the 9 authenticity guarantee. It was the concern that the 10 sneakers that they bought on the website had -- you 11 know, that they received, they were questioning them 12 on whether the product that they received, the 13 sneakers they received, were real or not. This is an 14 ongoing -- there are ongoing threads about this on 15 multiple platforms.</p> <p>16 Q. And these threats -- in these threads, did 17 any of these sneakerheads that you're referencing 18 ever express disappointment in the possibility that 19 they had purchased counterfeit sneakers?</p> <p>20 A. They have expressed their concerns that 21 they may have ended up with a counterfeit pair of 22 sneakers, but they were able to get that problem 23 rectified by basically reporting it to StockX and 24 saying, "These sneakers are fake." StockX had them 25 ship them back to them and they went through another</p>	<p style="text-align: right;">Page 108</p> <p>1 Q. I had asked you something a little while 2 ago, and I think we got away from it and I'm not sure 3 I got the answer to it. I just want to make sure I 4 get the answer to it.</p> <p>5 Do you recall any specific discussion 6 about the authenticity guarantee in those 7 conversations?</p> <p>8 A. I have to ask for more clarification. So 9 conversations that I'm having with other 10 sneakerheads? Is that the question?</p> <p>11 Q. Yes.</p> <p>12 A. That the -- that the authenticity program 13 does exist in the first place or what -- I'm not sure 14 what the question is there.</p> <p>15 Q. I'm asking whether you recall any 16 discussion among those sneakerheads concerning the 17 authenticity guarantee.</p> <p>18 A. Yes, I do recall people writing and talking 19 about it, sharing information that, "Hey, if these 20 sneakers are fake, I'm going to get my money back."</p> <p>21 Q. And to be clear, I'm not referencing the 22 offer to return. I'm talking specifically about the 23 100 percent -- 100 percent language.</p> <p>24 Do you recall any discussion about 25 that language?</p>
<p style="text-align: right;">Page 107</p> <p>1 verification process, which is amazing that -- and a 2 great thing, a great service that StockX has because 3 they are willing to -- to take those sneakers back 4 and, if they are counterfeit, refund that person's 5 money.</p> <p>6 Q. Of these sneakerheads who are discussing 7 the purchase of counterfeit sneakers on StockX, did 8 any of them express surprise that sneakers purchased 9 on StockX would have been counterfeit?</p> <p>10 A. Certainly. They were surprised that the 11 sneakers that they received they believe were a fake, 12 but they did appreciate the -- the willingness on 13 StockX's part to -- to rectify the problem, to fix it 14 because, again, if you end up with a counterfeit pair 15 from another platform, you buy it, you own it. You 16 lose, whereas this is very different. This program 17 is very different and the way that they -- StockX 18 does it is very different.</p> <p>19 Q. Of these sneakerheads, did any of them 20 express disappointment in how StockX handled the 21 process of getting those counterfeit sneakers 22 returned?</p> <p>23 A. No. They responded that it was very quick 24 and easy to ship said, you know, sneakers back to 25 them -- and get their money back when they did.</p>	<p style="text-align: right;">Page 109</p> <p>1 A. I do. The language -- the conversation 2 around that language is that StockX does lay 3 eyes/hands on each product that goes through their 4 market, through their website.</p> <p>5 Q. Do you recall anything else about those 6 conversations?</p> <p>7 A. No.</p> <p>8 Q. Have you seen any surveys of StockX 9 customers concerning how they would have perceived or 10 did perceive the StockX authenticity guarantee?</p> <p>11 A. No, I haven't seen any surveys.</p> <p>12 Q. Have you seen any other type of consumer 13 research about how StockX customers perceived the 14 StockX authenticity guarantee?</p> <p>15 A. No, I haven't.</p> <p>16 Q. Can you turn to page -- Pages 5 and 6 of 17 your report?</p> <p>18 A. Can I call for a timeout to use the 19 restroom right now, a break?</p> <p>20 Q. Absolutely.</p> <p>21 THE VIDEOGRAPHER: We are going off 22 the record. The time is 1:49.</p> <p>23 (Recess from 1:49 p.m. to 2:05 p.m.)</p> <p>24 THE VIDEOGRAPHER: We are back on the 25 record. The time is 2:05.</p>

<p style="text-align: right;">Page 114</p> <p>1 selling for on the resale market. No one wants to 2 overpay, but sneakerheads are also so vast and wide 3 and different that the price that I'm willing to pay 4 is going to be very different than the person sitting 5 to my left or to my right because we are so complex 6 and, you know, varying opinions on what's worth our 7 hard-earned money.</p> <p>8 Q. (BY MR. FLUHR) When you say that StockX 9 has been described to be for the sneaker market what 10 the Kelly Blue Book is for the car market, does that 11 mean that some people look at StockX prices to get a 12 roughly fair value for that sneaker?</p> <p>13 A. Absolutely. Sneakerheads look at it very 14 often, probably multiple times a day, multiple times 15 a week.</p> <p>16 Q. Would I be correct in saying that doesn't 17 mean that StockX sneaker prices are always the lowest 18 price?</p> <p>19 A. StockX's prices aren't always the lowest, 20 no, they are not. No. Sneakerheads are very savvy 21 and, again, complex. So they are looking at multiple 22 websites. They may look at StockX. They may look at 23 GOAT. They may look at eBay. And they are going 24 to do a lot of scouring, as they call it, across 25 these other platforms, as well.</p>	<p style="text-align: right;">Page 116</p> <p>1 A. Okay.</p> <p>2 Q. Do you have any idea Kelly Blue Book value 3 what the price of that sneaker is?</p> <p>4 A. I don't know what the price of that sneaker 5 is right now. I recall last summer that sneaker on 6 the reseller, you know, marketplace was going for 300 7 plus dollars.</p> <p>8 Q. Let's say that sneaker were on StockX for 9 \$300. Let's go back to the questions we talked about 10 earlier.</p> <p>11 If the same sneaker were selling for 12 \$250 on GOAT, might a sneakerhead say, "I see both 13 those prices. Even though StockX is itself Kelly 14 Blue Book, I'm going to purchase on GOAT"?</p> <p>15 A. There's a possibility that they will 16 purchase them on GOAT. The difference between \$250 17 and 300 -- you know, \$300, that sneakerhead is 18 discerning with their money and their wallet or their 19 purse, so they want to save that \$50, but that does 20 leave a lot of room for -- where they buy the sneaker 21 and what sneaker they get are not -- they may not get 22 the same pair of sneakers that they are intending.</p> <p>23 Q. If that pair of sneaker were selling for -- 24 I'm going to ask you the converse like we talked 25 about earlier.</p>
<p style="text-align: right;">Page 115</p> <p>1 Q. Might a sneakerhead purchase a pair of 2 sneakers on another website after seeing that website 3 had a lower price than be StockX?</p> <p>4 A. I could certainly see that happening, 5 absolutely. And that -- that goes directly to the 6 come-up, as being able to buy a popular sneaker and 7 pay less than they saw it listed on -- on StockX, 8 yes.</p> <p>9 Q. And conversely, might a sneakerhead see on 10 another website, "Oh, the price is slightly higher 11 than StockX" and decide "I'm going to buy on StockX"?</p> <p>12 A. Yes. Someone would go and purchase from 13 StockX because StockX has the better price.</p> <p>14 Q. Can I ask you these same questions in the 15 context of a specific example?</p> <p>16 A. Absolutely.</p> <p>17 Q. Are you familiar with the Nike Dunk low 18 retro white and black?</p> <p>19 A. The name of the sneaker one more time?</p> <p>20 Q. The Nike Dunk Low Retro white and black.</p> <p>21 A. I want to make sure that we're clear. Are 22 we talking about the same Nike Dunk Low that's 23 referred to as the Panda Dunk?</p> <p>24 Q. I believe so, yes. Let's say the Panda 25 Dunk.</p>	<p style="text-align: right;">Page 117</p> <p>1 If that pair of sneakers were selling 2 on StockX for \$300 and selling on GOAT for \$400, 3 would a sneakerhead be likely to purchase the sneaker 4 for \$400 on GOAT?</p> <p>5 A. No, they wouldn't purchase the sneaker for 6 \$400 on GOAT. They would go back and buy that 7 sneaker for \$300 from StockX because the price is 8 better and they also have -- not only are they better 9 in price, but StockX also does have the authenticity 10 program, as well, whereas I don't know what GOAT may 11 have in place.</p> <p>12 Q. Well, then let's reverse it. Might they 13 purchase that sneaker on StockX for \$400 but on GOAT 14 for 300?</p> <p>15 A. There's a possibility, too, that the 16 sneakerhead doesn't care about, you know, or they 17 know already there's risk involved and they could end 18 up with a fake pair of sneakers. Every sneakerhead 19 is very different but is also price-sensitive. We're 20 always aware of that. It's something that is always 21 discussed. Again, going back to does it look and 22 sound too good to be true?</p> <p>23 Q. What if the price on StockX were \$600 and 24 the price on GOAT were \$300?</p> <p>25 Would you expect a sneakerhead to pay</p>

<p>1 \$600 on StockX for that sneaker?</p> <p>2 MS. BANNIGAN: Objection.</p> <p>3 A. I don't know who would be willing to pay so</p> <p>4 much more. But again, sneakerheads are being -- are</p> <p>5 so savvy, there may be someone. There may be that</p> <p>6 consumer out there who's willing to buy the more</p> <p>7 expensive sneaker on StockX. Why? Because they know</p> <p>8 that someone has actually laid eyes on that sneaker,</p> <p>9 touched that sneaker, and if for some reason that</p> <p>10 sneaker is -- is a fake pair of sneakers, that StockX</p> <p>11 will gladly take them back and give them back their</p> <p>12 money, whereas I don't know if that's the same on</p> <p>13 GOAT's side.</p> <p>14 Q. (BY MR. FLUHR) Let's change the price</p> <p>15 again.</p> <p>16 What if the price on StockX were</p> <p>17 \$3,000 and the price on Goat were 300? Would you</p> <p>18 expect someone, even a sneakerhead, to purchase the</p> <p>19 sneakers on StockX for \$3,000?</p> <p>20 A. There is that possibility. Again, someone</p> <p>21 may say, "I prefer to only shop with StockX," just</p> <p>22 like someone saying I only choose to buy XYZ car</p> <p>23 brand. But there's always the possibility that</p> <p>24 someone looking at their -- again, their purse, their</p> <p>25 wallet, their, you know, what they have, that's --</p>	<p>Page 118</p>	<p>1 released today. Prime example, Nike Air Force 1,</p> <p>2 which is one of the most popular-selling sneakers</p> <p>3 worn by Moses Malone 1982, that sneaker used to be</p> <p>4 made of tumbled leather. That sneaker now in 2023 is</p> <p>5 no longer made of tumbled leather. It's synthetic</p> <p>6 material.</p> <p>7 So the quality is going down while the</p> <p>8 price point has gone up. And this is something that</p> <p>9 unfortunately the sneakerhead community has just</p> <p>10 accepted it because we have to.</p> <p>11 Q. Are there any sneakerhead community that</p> <p>12 don't perceive a decrease in quality of Nike sneakers</p> <p>13 over the past two decades?</p> <p>14 A. Of all the sneakerheads I talk to and jack</p> <p>15 with, they -- they will attest to that. They will</p> <p>16 gladly or have gladly shared photos, comparisons side</p> <p>17 by side of sneakers, be it a Jordan sneaker, be it an</p> <p>18 Air Force 1, comparing and contrasting one made one</p> <p>19 year, another one made even just the following year,</p> <p>20 the decrease in materials.</p> <p>21 Q. What about non-sneakerheads? Do you have</p> <p>22 any opinions or thoughts about how common that</p> <p>23 perception is in the non-sneakerhead community?</p> <p>24 A. I refer to them as general consumers.</p> <p>25 They, too, are aware of the decrease in quality</p>	<p>Page 120</p>
<p>1 they are going to decide what they are going to</p> <p>2 decide, you know.</p> <p>3 Q. Would you expect a sneakerhead to do that?</p> <p>4 A. I wouldn't expect a sneakerhead to overpay</p> <p>5 that much for a sneaker, but there are always those</p> <p>6 people who are just outside that bubble who, you</p> <p>7 know, they are willing to do that because of</p> <p>8 perception. It's not an end-all, be-all, catch-all</p> <p>9 scenario.</p> <p>10 Q. I would like you to turn to Page 41 of your</p> <p>11 report.</p> <p>12 A. Okay. I'm there.</p> <p>13 Q. If you look at the paragraph, Paragraph 94,</p> <p>14 you write, "The perceived quality of Nike sneakers</p> <p>15 has reportedly decreased in the past two decades."</p> <p>16 Who perceives that?</p> <p>17 A. Sneakerheads perceive that, that the</p> <p>18 quality of Nike sneakers has decreased over these</p> <p>19 past two decades.</p> <p>20 Q. Do you perceive that?</p> <p>21 A. I do perceive that, as well.</p> <p>22 Q. Tell me what you perceive about that.</p> <p>23 A. The lines between sneakers that were</p> <p>24 released, say, in the Eighties and Nineties is very</p> <p>25 different than the quality of sneakers that are</p>	<p>Page 119</p>	<p>1 materials. This is a topic that comes up pretty</p> <p>2 often in terms of perceived quality of materials in</p> <p>3 Nike sneakers, and what the general consumer is</p> <p>4 saying echos exactly what the sneakerhead community</p> <p>5 is saying and they mirror each other.</p> <p>6 Q. I assume that there are non-sneaker -- what</p> <p>7 did you call them before?</p> <p>8 A. I call them general consumers.</p> <p>9 Q. I assume there are general consumers who do</p> <p>10 not share in this perception; is that correct?</p> <p>11 A. I'm sure that there are. There's always</p> <p>12 going to be people on the periphery that no matter</p> <p>13 what you tell them, they won't agree with that</p> <p>14 statement, and that's okay. But sneakerheads are</p> <p>15 very aware of the decrease in quality materials.</p> <p>16 Q. Are you aware of any surveys of</p> <p>17 sneakerheads with respect to their perception of</p> <p>18 quality of Nike sneakers?</p> <p>19 A. I can't think of any -- any surveys, either</p> <p>20 formal or -- more of the conversation that we're</p> <p>21 having these days with sneakerheads is people sharing</p> <p>22 photos, even producing entire videos on YouTube of</p> <p>23 the sneaker that they received and showing and</p> <p>24 talking about the perceived quality decreasing.</p> <p>25 Q. And similarly, are you aware of any surveys</p>	<p>Page 121</p>

<p style="text-align: right;">Page 122</p> <p>1 of general consumers about their perception of Nike 2 quality?</p> <p>3 A. I'm not aware of any particular surveys 4 very specifically. But, look, I spend so much time 5 on the internet understanding or trying to understand 6 consumer behavior that I -- I read a lot. I've read 7 articles about even this perception. Articles may be 8 published in the Wall Street Journal, the Boston 9 Globe, the New York Times, GQ, Gentlemen's Quarterly 10 Magazine. So this is a conversation that is ongoing, 11 yeah.</p> <p>12 Q. Do you have an opinion about the percentage 13 of general consumers that perceive the quality of 14 Nike sneakers has decreased over the past two 15 decades?</p> <p>16 A. Restate the question, please.</p> <p>17 Q. Do you have an opinion about the percentage 18 of general consumers who perceive that the quality of 19 Nike sneakers has decreased over the past two 20 decades?</p> <p>21 A. I don't have a percentage, no.</p> <p>22 Q. I would like to talk about the StockX 23 authentication process.</p> <p>24 Do you have an understanding of what I 25 mean when I say that?</p>	<p style="text-align: right;">Page 124</p> <p>1 employees.</p> <p>2 Q. What is the background of these StockX 3 employees who perform this process?</p> <p>4 A. I don't know the answer to that question. 5 I don't -- I'm not privy to that info.</p> <p>6 Q. Do you know what kind of training they 7 receive before doing this?</p> <p>8 A. No, I don't know what kind of training they 9 receive, but I would believe that they -- they do 10 receiving training on what things to look for. But 11 specifics, I don't have, no.</p> <p>12 Q. Have you any information about what it is 13 that they do look for?</p> <p>14 A. I don't have details of what it is that 15 they look for; but what I do know is that someone is 16 actually looking at, holding these sneakers.</p> <p>17 Q. How do you know that?</p> <p>18 A. By their verification program, as well as 19 the counterfeit return policy that they have in 20 place, as well.</p> <p>21 Q. Where -- where in their verification 22 program do they say that every shoe is held, 23 inspected by a person?</p> <p>24 A. So -- and this is -- I actually do write 25 about this in there -- in my report. And</p>
<p style="text-align: right;">Page 123</p> <p>1 A. I do. I understand StockX's authentication 2 program.</p> <p>3 Q. We can either call it their authentication 4 program or I think I see in Paragraph 107 you say 5 verification process.</p> <p>6 A. Let me go to --</p> <p>7 Q. I want to make sure I want to make sure 8 we're talking about the same thing. As I said, I 9 want to use your language, even though I think we're 10 talking about the same thing. Page 48, 107, you talk 11 about StockX's verification process.</p> <p>12 What is StockX's verification process?</p> <p>13 A. StockX has the verification or the program 14 in place where someone, a human being, lays eyes and 15 hands on every product that goes through their -- 16 their marketplace. Specific to the sneakers, that -- 17 that makes me and sneakerheads -- it makes us feel 18 good that there's someone who actually is doing just 19 that, holding the sneakers, looking at the box, 20 tissue paper, size tag, all those things to help 21 reduce the risk of counterfeits getting -- you know, 22 I end up with a counterfeit pair of sneakers.</p> <p>23 Q. And are these StockX employees who are 24 performing this verification?</p> <p>25 A. My understanding is, yes, they are StockX</p>	<p style="text-align: right;">Page 125</p> <p>1 particularly the -- in 107, this last sentence here, 2 it says, "Beyond StockX's verification process, 3 sneakerheads can also rely on StockX's buyer promise 4 through which purchasers on the StockX marketplace 5 can submit a support request and request a second 6 look at purchased products a buyer believes to be 7 inauthentic and get a refund if StockX makes a 8 mistake in the verification process."</p> <p>9 And then footnoted, Number 176 talks 10 about that StockX buyer program on Page 48. So 11 that's their program that they have in place. That's 12 what they attest to. That's what they share. That's 13 what we read. That's what I read.</p> <p>14 Q. Are you aware of any StockX customers ever 15 complaining about difficulty returning a counterfeit 16 shoe?</p> <p>17 A. No, I'm not.</p> <p>18 Q. Have you asked StockX to see any such 19 communications?</p> <p>20 A. No, I have not.</p> <p>21 Q. And you haven't seen any such 22 communications?</p> <p>23 A. I have not.</p> <p>24 Q. So I understand that if a shoe is 25 discovered to be counterfeit and agreed to be</p>

<p style="text-align: right;">Page 126</p> <p>1 counterfeit, StockX will return it back.</p> <p>2 Putting that part aside for a second,</p> <p>3 if you don't know what that inspector does when they</p> <p>4 inspect the shoe or the training they have, what is</p> <p>5 it that makes you feel good about the verification</p> <p>6 process?</p> <p>7 A. By having this verification process in</p> <p>8 place, it gives me and sneakerheads the -- the</p> <p>9 feeling, the comfort of somebody's at least looking</p> <p>10 and touching these sneakers and that if for some</p> <p>11 reason I do end up with a counterfeit pair, I could</p> <p>12 return them and StockX is going to do right by me and</p> <p>13 take those sneakers back and give me back my money.</p> <p>14 That's very good for the sneakerhead community</p> <p>15 because that didn't exist previously.</p> <p>16 Q. Are you aware of other secondary</p> <p>17 marketplaces that have verification process for their</p> <p>18 sneakers?</p> <p>19 A. I am aware of other secondary marketplaces</p> <p>20 that have verification programs, yes.</p> <p>21 Q. Can you name one for me?</p> <p>22 A. eBay has a verification program.</p> <p>23 Q. Do you have any information about eBay's</p> <p>24 verification program?</p> <p>25 A. No, other than that one does exist.</p>	<p style="text-align: right;">Page 128</p> <p>1 break and ask Gabby to tell me what I've missed, and</p> <p>2 then --</p> <p>3 THE VIDEOGRAPHER: We're going off the</p> <p>4 record now. The time is 2:36.</p> <p>5 (Recess from 2:36 p.m. to 2:53 p.m.)</p> <p>6 THE VIDEOGRAPHER: We are back on the</p> <p>7 record. The time is 2:53.</p> <p>8 MR. FLUHR: I don't have anything else</p> <p>9 at the moment. I reserve time after your redirect.</p> <p>10 So if you want to go ahead with your redirect --</p> <p>11 MS. BANNIGAN: I just have a few</p> <p>12 questions.</p> <p>13 EXAMINATION</p> <p>14 Q. (BY MS. BANNIGAN) Okay. Mr. Wells,</p> <p>15 earlier today you were asked some questions by</p> <p>16 Mr. Fluhr about criteria you may consider when</p> <p>17 determining whether someone is a sneakerhead.</p> <p>18 Do you recall that line of</p> <p>19 questioning?</p> <p>20 A. I do recall that.</p> <p>21 Q. And I believe that you said some things you</p> <p>22 may consider are where a person lives, shoe size, why</p> <p>23 the person collects, and even health.</p> <p>24 Do I have that right?</p> <p>25 A. You do.</p>
<p style="text-align: right;">Page 127</p> <p>1 Q. Do you have any information about the</p> <p>2 percentage of counterfeits caught by eBay's</p> <p>3 verification program compared to the percentage of</p> <p>4 counterfeits caught by StockX's counterfeit</p> <p>5 verification program?</p> <p>6 A. No. I don't know any of that data, no.</p> <p>7 Q. A StockX customer who buys a pair of</p> <p>8 sneakers that turns out to be counterfeit, they have</p> <p>9 to realize the pair is counterfeit before they are</p> <p>10 able to take advantage of the return program,</p> <p>11 correct?</p> <p>12 A. Yes, that's my understanding.</p> <p>13 Q. And sometimes counterfeit Nike sneakers can</p> <p>14 be difficult to detect as counterfeits, correct?</p> <p>15 A. Nike sneakers, yes, there is -- again, the</p> <p>16 lines between what's real and what's fake have become</p> <p>17 more and more blurred as counterfeit sneakers have</p> <p>18 gotten better.</p> <p>19 Q. Do you have any information about what</p> <p>20 percent of StockX customers would have purchased</p> <p>21 counterfeit Nike sneakers on StockX have realized the</p> <p>22 sneakers are counterfeit?</p> <p>23 A. No, I don't have any of that information.</p> <p>24 I don't.</p> <p>25 MR. FLUHR: If I could ask to take a</p>	<p style="text-align: right;">Page 129</p> <p>1 Q. Okay. Do you always need to consider those</p> <p>2 things when determining whether someone is a</p> <p>3 sneakerhead?</p> <p>4 A. I don't need to -- to do that to determine</p> <p>5 who is a sneakerhead. I can oftentimes just look at</p> <p>6 someone and just know based upon the sneakers that</p> <p>7 they are wearing, the clothes that they are wearing,</p> <p>8 maybe even a conversation, words, terminology that</p> <p>9 they may use. You know, I may look at Michael and</p> <p>10 say, "Is he a sneakerhead, or is he" based upon the</p> <p>11 sneakers that he's wearing, but -- I'm an inquisitive</p> <p>12 person. I want to learn more, but there's not one</p> <p>13 particular thing that will be a tell for who a</p> <p>14 sneakerhead is, what she or he may like. But the</p> <p>15 sneakerhead community is -- is amazing. It's so</p> <p>16 diverse. You know, you never know who may be a</p> <p>17 sneakerhead, and that's why I like this world and I</p> <p>18 play in this world and it's become my world, speaking</p> <p>19 to consumers -- sneakerheads, as well as general</p> <p>20 consumers.</p> <p>21 Q. Well, going back to what you said at the</p> <p>22 beginning of that, how do you do that? How can you</p> <p>23 so quickly tell who a sneakerhead is or who may not</p> <p>24 be a sneakerhead?</p> <p>25 A. I've been in this -- in speaking with my</p>

<p>1 family or relatives, they would say I've been this 2 way -- they always say I've been this way about 3 sneakers for so long that it's no mistake that I am 4 in the sneaker industry, that companies do seek me 5 out. They want my opinions. They want me to work 6 with them, going back to everything from podcasting 7 to Sole Collector to on the message boards to 8 articles that I've written, interviews that -- that, 9 you know, I've been interviewed by -- you know, by 10 different publications. Shoot, I received the key to 11 the City of Worcester, Massachusetts, for my role in 12 teaching youth photography and filmmaking, but also 13 my corrections to the sneaker community as a whole. 14 That was a huge, momentous moment for me.</p> <p>15 Q. Earlier today, Mr. Fluhr also asked you a 16 line of questions about whether both sneakerheads and 17 consumers at large are likely to know that it's a 18 possibility that they could buy a counterfeit on 19 StockX.</p> <p>20 Do you recall that line of 21 questioning?</p> <p>22 A. I do remember that question. It was very 23 jumbled, but I do.</p> <p>24 Q. Okay. That's not what I was expecting, but 25 why do you think it was jumbled?</p>	Page 130	<p>1 of fun and a lot of success due to sneakers, and 2 consumers are also very aware that at any point in 3 time they could end up with a product that is not 4 real.</p> <p>5 Q. Why specifically do you think that people 6 know that they could end up with a product that is 7 not real?</p> <p>8 A. Because counterfeits exist in the 9 marketplace, that they are products that are in high 10 demand. I mean, these are sneakers we're talking 11 about that there's supply and demand, there's 12 scarcity, there's "I want that product, I'm seeking 13 that product out, but I can't get it." So where do 14 they turn? They turn to the secondary market. They 15 turn to StockX. They turn to GOAT. They turn to 16 eBay. And they know or have to know -- I mean, 17 it's just common sense that there is a possibility 18 they end up with a fake pair of sneakers because I 19 read, talk to, gather so much -- I mean, I feel like 20 I'm a funnel a lot of times when I go on-line. I get 21 a lot of complaints from time to time. My 22 significant other/wife doesn't think I'm doing work 23 when I am, but I am obsessed with sneakers and the 24 culture.</p> <p>25 MS. BANNIGAN: Okay. I think I'm</p>	Page 132
<p>1 A. Because there's always the possibility that 2 someone -- you know, there's going to be sneakerheads 3 who are, like, "No, I know I'm going to get the real 4 deal," consumers who are going to say, "I believe 5 what I read, what I saw," but there is the 6 possibility that someone will end up with a pair of 7 fake sneakers. Of course there's going to be that 8 one person who's probably going to sit there and say, 9 "No, I don't believe that to be the case," but 10 there's always that risk.</p> <p>11 Q. So just to clarify that, is it your opinion 12 that all people know they could potentially buy a 13 counterfeit on StockX?</p> <p>14 A. Sneakerheads are aware of it. Consumers 15 are aware of it, that that is a risk.</p> <p>16 Q. What's your basis for saying that?</p> <p>17 A. How much time do we have this afternoon? I 18 know -- it goes back to podcasting. It goes back to 19 my writing, the people that I talk to in real life on 20 message boards, LinkedIn, Twitter, Instagram. I 21 mean, I am in the community, of the community, and 22 we're talking about this all the time. I'm reading 23 articles about this. I'm reading posts and threads 24 about this. I mean, my -- my track record is -- is 25 just that. It's a track record where I've had a lot</p>	Page 131	<p>1 good. No further questions.</p> <p>2 MR. FLUHR: Just two follow-up 3 questions to that, I think.</p> <p>4 FURTHER EXAMINATION</p> <p>5 Q. (BY MR. FLUHR) You testified earlier that 6 it's possible that at least one person -- sorry. Let 7 me rephrase that.</p> <p>8 You testified earlier it's possible at 9 least one StockX customer doesn't know it's possible 10 that they could buy counterfeits on StockX; is that 11 right?</p> <p>12 A. There is a possibility that a customer, be 13 it general consumer or sneakerhead. They could just 14 be that outlier that just says, you know, "It's not 15 going to happen to me," but it does.</p> <p>16 Q. It could be two customers?</p> <p>17 A. Yes, it can. Absolutely. I don't know -- 18 I don't have the data to -- to support that. That's 19 not what I'm here to talk about or even written in my 20 report, but it certainly could be a possibility.</p> <p>21 MR. FLUHR: That's all I have.</p> <p>22 MS. BANNIGAN: Nothing further from 23 me.</p> <p>24 THE VIDEOGRAPHER: We will be going 25 off the record. This will conclude today's today</p>	Page 133

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Page(s): Line(s)	Now Reads	Should Read	Reason
11:16	Bato Shoe Museum	Bata Shoe Museum	Transcription Error
12:16-17	Out of the Box, the Rise of Sneaker Culture	Out of the Box: The Rise of Sneaker Culture	Typographical Error
12:25	to help curate	to help co -curate	Transcription Error
13:3	The question one more time.	The question one more time?	Typographical Error
13:13-15	I worked with them to -- once I formulated my opinion to go and find supporting materials as footnoted in my expert report	I worked with them to - once I formulated my opinion - to go and find supporting materials as footnoted in my expert report	Typographical Error
18:9	they are a touch home point	they are a touchpoint home	Clarification
18:17-18	It was just someone that	I was just someone that	Clarification
19:2	since really 1979	since, really, 1979	Typographical Error
19:3-4	I start a lot of times often with	I start often with	Clarification
19:20	New Balance 9 -- 990s	New Balance 990s	Clarification
21:9	lash hot	last shot	Transcription Error

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Page(s): Line(s)	Now Reads	Should Read	Reason
21:10	lash hot	last shot	Transcription Error
21:20	that signature was not you authenticate	that signature was not authentic	Transcription Error
23:10	esthetic	aesthetic	Typographical Error
23:15	like e.com	Nike.com	Transcription Error
23:21	esthetics	aesthetics	Typographical Error
23:25	esthetics	aesthetics	Typographical Error
24:11-12	put a finger one	put a finger on	Transcription Error
25:6	moving more higher up	moving more and higher up	Transcription Error
29:6	I have not purchased sneakers StockX	I have not purchased sneakers on StockX	Transcription Error
30:24	I don't.	I don't recall .	Clarification
35:5-6	Based upon the information that I had, research that I did,	Based upon the information that I had and the research that I did,	Clarification

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Page(s): Line(s)	Now Reads	Should Read	Reason
37:1	It was Air Jordan 7 Bordeaux	It was an Air Jordan 7 Bordeaux	Transcription Error/ Clarification
38:15	Through SOLEcial Studies Community Academy	Through SOLEcial Studies CommUNITY Academy	Typographical Error
38:19	certainly beyond about sneakers in the culture	certainly beyond about sneakers and the culture	Transcription Error
39:4	very well fake pair of sneakers	very well made fake pair of sneakers	Clarification
39:6-7	pair of sneaker	pair of sneakers	Transcription Error
40:2-3	the sneaker world game/community	the sneaker world, game, community	Typographical Error
40:13	there maybe probably less than 20	there may be probably less than 20	Typographical Error
40:23	Some of the things I look at for -- may be	Some of the things I look for in telling a sneaker -- may be	Transcription Error/ Clarification
42:14-15	drawing the sneakers on maybe pen and pencil	drawing the sneakers with maybe pen and pencil	Clarification

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Page(s): Line(s)	Now Reads	Should Read	Reason
43:2	Color and matter	Color and material	Transcription Error
43:14	The shape, be it the toe box	The shape of the sneakers , be it the toe box	Transcription Error
44:6	debray (phonetic)	dubrae	Typographical Error
45:18	are interchangeable	are not interchangeable	Clarification
47:3	Rebok	Reebok	Typographical Error
47:13	Perfect example is work that I've done	A perfect example is work that I've done	Transcription Error
47:20	esthetics	aesthetics	Typographical Error
47:22	esthetics	aesthetics	Typographical Error
47:23	esthetics	aesthetics	Typographical Error
49:5	fly wire	Flywire	Typographical Error
50:9-10	that have with stood the test of time	that have withstood the test of time	Typographical Error

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Page(s): Line(s)	Now Reads	Should Read	Reason
50:11-12	that don't last that are even falling apart	that don't last, that are even falling apart	Typographical Error
52:6	I'm not sure I understand the questions.	I'm not sure I understand the question.	Transcription Error
56:16	just at a	just that a	Transcription Error
58:18-19	depicted on the images associated with the NFT	depicted on the image associated with the NFT	Transcription Error
58:22-23	Other than it means clearly stated what it is there.	Other than that it means what is clearly stated there.	Transcription Error
61:1	I don't.	I don't recall .	Transcription Error
61:11	as I defined it.	as I define it.	Transcription Error
63:13-14	there's a bunch of question marks that I would ask throughout that person if I were sitting with him	there's a bunch of question marks that I would ask that person if I were sitting with him	Clarification
65:24	esthetics	aesthetics	Typographical Error
66:16	themself a sneakerhead.	themselves a sneakerhead.	Clarification

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Page(s): Line(s)	Now Reads	Should Read	Reason
67:22-23	even being part of this community in sneaker meet-ups --	and being part of this community even in sneaker meet-ups --	Transcription Error
67:24	H Town Sneaker Summit	H-Town Sneaker Summit	Typographical Error
67:25	Kelly Blue Book	Kelley Blue Book	Typographical Error
71:2	Sneakerheads, again, know, trust StockX.	Sneakerheads, again, know and trust StockX.	Clarification
71:3	Kelly Blue Book	Kelley Blue Book	Typographical Error
76:25	sneakerhead culture.	sneakerhead culture and hype.	Transcription Error
78:18	150 pair	150 pairs	Transcription Error
80:3-4	So that was a battle that we went back and forth for quite a time.	released. So that was a battle that we went back and forth on for quite a time.	Clarification
81:12	or have on even display.	or even have on display.	Clarification
82:18	in speak culture	in sneaker culture	Transcription Error

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Page(s): Line(s)	Now Reads	Should Read	Reason
83:24	Because that's a conversation that it is	So that's a conversation that there is	Transcription Error/ Clarification
85:17	Nike Talk	NikeTalk	Typographical Error
85:17-18	In Style Shoes	InStyleShoes	Typographical Error
85:20-21	H Town Sneaker Summit	H-Town Sneaker Summit	Typographical Error
89:21	LinkedIn, Twitter, Instagram	posts on LinkedIn, Twitter, Instagram	Transcription Error
90:21	I work really hard	I worked really hard	Transcription Error
90:23	I turn those products	I turned those products	Transcription Error
91:10	I have purchased shoes from Nike	I have purchased shoes from Nike.com	Transcription Error
91:20-21	I trust that I would be buying authentic shoes directly from the brand, yeah .	I trust that I would be buying authentic shoes directly from the brand, yes. ASICS or any brand directly.	Transcription Error
102:21	mindful in where I'm buying	mindful of where I'm buying	Transcription Error
103:6	sneaker purchase	sneaker I purchase	Transcription Error

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Page(s): Line(s)	Now Reads	Should Read	Reason
105:25- 106:1	I think certainly even talk to people	I certainly even talk to people	Transcription Error
106:24	"These sneakers are fake."	"These sneakers, I believe , are fake."	Transcription Error
107:11	they believe were a fake	they believed were fake	Transcription Error
111:8	Kelly Blue Book	Kelley Blue Book	Typographical Error
111:10	Kelly Blue Book	Kelley Blue Book	Typographical Error
111:11	Kelly Blue Book	Kelley Blue Book	Typographical Error
111:19	Kelly Blue Book	Kelley Blue Book	Typographical Error
111:22	Kelly Blue Book	Kelley Blue Book	Typographical Error
112:5	Kelly Blue Book	Kelley Blue Book	Typographical Error
112:7	Kelly Blue Book	Kelley Blue Book	Typographical Error
112:17-18	Kelly Blue Book	Kelley Blue Book	Typographical Error
113:12	some people use the words "frugal"	some people would use the word "frugal"	Transcription Error/ Clarification

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Page(s): Line(s)	Now Reads	Should Read	Reason
114:10	Kelly Blue Book	Kelley Blue Book	Typographical Error
115:21	I want to make sure that we're clear.	I am familiar with that. I want to make sure that we're clear.	Transcription Error
116:2	Kelly Blue Book	Kelley Blue Book	Typographical Error
116:13-14	Even though StockX is itself Kelly Blue Book	Even though StockX is the Kelley Blue Book	Transcription Error / Typographical Error
117:17-18	there's risk involved and they could end up with a fake	there's risk involved that they could end up with a fake	Transcription Error
124:9-10	they do receiving training	they do receive training	Transcription Error
126:17	that have verification process	that have verification processes	Transcription Error
127:20	StockX customers would have purchased	StockX customers who have purchased	Transcription Error
129:10	"Is he a sneakerhead, or is he"	"Is he a sneakerhead, or isn't he"	Clarification

Deposition Date: 8/30/2023**Deponent: DeJongh Wells – Errata Sheet****Case Name: Nike, Inc. v. StockX LLC, No. 22 CV 983 (VC) (SN)**

Page(s): Line(s)	Now Reads	Should Read	Reason
130:13	my corrections to the sneaker community	my contributions to the sneaker community	Transcription Error
131:19-20	the people that I talk to in real life on message boards	the people that I talk to in real life, on message boards	Typographical Error
132:9-10	that they are products that are in high demand	that there are products that are in high demand	Transcription Error

I, DeJongh Wells, do hereby certify under penalty of perjury that I have read the foregoing transcript of my deposition taken on August 30, 2023; that I have made such corrections as appear noted herein; and that my testimony as contained herein, as corrected, is true and correct.

DATED this 2nd day of October, 2023.



DeJongh Wells